

31 MAR 1975

MEMORANDUM FOR: Chief, Plans & Programs Staff, OL

SUBJECT : Quarterly Report on Anti-inflation and Cost
Reduction Measures

This memorandum details the status of the suggested improvements submitted by the then Printing Services Division in December 1974. Attachment 1 is the original list of suggestions. This list has been alphabetically identified to facilitate comparison with the status report. Two new measures are being suggested at this time (attachment 2).

a. This plan continues to function. Approximately \$118 worth of scratch pads were produced this quarter from paper normally discarded. Estimated savings: \$118.

b. In effect. No method has been devised to determine probable savings.

c. Test plan in effect in the General Printing Plant using the Xerox 3600-I. This has resulted in a savings of 5,000 sheets. Dollar value of savings to be reported next quarter.

d. Tests have been made in the Special Printing Plant for OCI publications. We are now awaiting OCI approval.

e. Study is underway (50% complete) to determine availability of appropriate valves for each processing unit. Two units are already in use. Substantial savings still anticipated. Detailed information to be completed by next reporting period.

f. This plan should be dropped. Amount of potential savings is negligible.

g. COM continues to be a major substitute for paper. In spite of the Printing & Photography Division (P&PD) and Information Systems Analysis Staff (ISAS) efforts, the growth of this media as a paper substitute is seriously hampered by difficulties in converting print programs and the partial obsolescence of equipment. The original estimate still applies.

SUBJECT: Quarterly Report on Anti-inflation and Cost Reduction Measures

✓ h. The demand for this plan is increasing. The impact on printing requirements, however, is negligible at this time. Detailed report to be submitted next quarter. ✓

✓ i. This plan has been successful. It has virtually eliminated unplanned trips to the depot except for rare cases. The dollar estimate still applies.

✓ j. This plan has resulted in cost reductions which exceeded the most optimistic estimates. The combination of the substitution of roll paper for cut sheets and the direct purchase from the mill makes possible a 40% reduction of the January 1975 cut sheet price of \$291,000. A contract has been let under which carload lots of paper will be shipped direct from the mill starting in April 1975. The annual savings is estimated at \$116,400. ✓

✓ k. This plan has been successful. An estimated \$1,337 has been saved this quarter.

✓ l. The new distribution/ratio system has reduced the total number of impressions required substantially. The exact overall paper savings, however, is best compiled by the Regulations Control Staff, who control distribution.

✓ m. This plan has been extremely successful. A briefing was given to the Director of Logistics on this subject. The one-time (12 months) cost reduction was estimated at \$127,247. ✓

✓ n. The sharp reduction in the use of copiers has now leveled off. The downgrading and cancelling out of copying equipment have virtually ceased. ISAS maintains detailed cost records on this activity and submits them as part of their MBO report.

✓ o. The test program for the Xerox 1200 has been an unqualified success in reliability, quality, and potential economy. Joint P&PD and OJCS plans for full exploitation of the Xerox 1200 printing system are now being completed. It is a virtual certainty that OJCS will retire four to six pieces of printing equipment in favor of this system within the next year, at which time dollar values for cost reduction can be determined. ✓

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✓ p. The rule-of-thumb comparison between file storage for paper as opposed to microfilm is 98:1. For the next reporting period, the P&PD microfilm production in images will be equated to the corresponding cubic footage for paper to determine a dollar cost reduction value for storage space.

X q. This plan continues with growing success. Purchases through the imprest fund now average 39 per month. Lead time has been cut from 45 to 5 days. The elimination of the normal requisitioning procedure has caused a significant reduction in labor costs. These costs will be estimated in the next reporting period.

r. through x. No Change.



Chief
Printing & Photography Division, OL

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2 Atts

13 Dec 74

PRINTING SERVICES DIVISION
SUMMARY OF ANTI-INFLATION & COST REDUCTION MEASURES*

Anti-inflation Measures

- a. Paper savings through the use of scrap paper for scratch pads.
Savings: \$1,024

30¢ each
- b. Reduction in paper costs through the reuse of shipping cartons and envelopes. Savings: Unavailable
- c. Paper cost reduction through greater use of two-sided printing. ✓
Savings: Unavailable
- d. Reduction in paper costs through the use of less expensive cover stock for publications.
Savings: Unavailable
- e. Reduction in water usage and water heating costs through the use of automatically controlled cut off valves on laboratory processing equipment. Savings: Unavailable
- f. Salvage and reclamation of leftover press inks. Savings: Unavailable

Problems and/or Suggested Improvements

A program to convert scrap paper into scratch pads is now in effect. Pads of various sizes are supplied by PSD and stocked in BSB at Headquarters. BSB/LSD/OL would normally buy scratch pads at a cost of \$3.60 per dozen. Based on this, \$1,024 worth of pads have been supplied at no cost and the paper that is used was previously thrown away.

Already in effect. Quantitative measurements have not been attempted.

This procedure is routinely recommended to PSD customers for all possible applications. Exceptions usually require justification. Base line measurements were never established.

Suggestion being reviewed.

This suggestion is currently being reviewed for use by PSD laboratories but should have Agency-wide application. Substantial savings are anticipated, and will be measured at a later date.

An effort is underway to test procedures for reclaiming quantities of press inks which are traditionally flushed down the drain with solvents or dumped in the trash. In addition to potential cost reductions, a step toward pollution abatement may result.

*Many items listed fit both categories.

Anti-inflation Measures

- g. Paper conservation and reduction in the cost of computer printout through the use of COM (Computer Output Microfilm).
Savings: \$100,000 annually

- h. Reduction in paper utilization, press, bindery, dissemination, and document storage costs through the use of micropublishing.
Savings: Unavailable

- i. Reduction of the number of unscheduled trips to the depot for stock replenishment.
Savings: \$1,000 annually (gas, time, etc.)

- j. Paper cost avoidance by using roll paper instead of cut sheet.
Savings: Approximately \$72,900 annually

Problems and/or Suggested Improvements

Combined efforts by OL/PSD and ISAS/MPB to publicize this microform have resulted in a steady increase in its utilization with resultant reduction in paper usage (one million pages per month on one project alone), storage requirements, and increased handling efficiency. PSD has provided assistance in instructional seminars, pilot testing, and consultation, and has also increased its production capability in this area.

OL/PSD with DDI/CRS has developed and implemented a procedure for the production of all Agency finished intelligence publications in microfiche. Requests for microfiche in lieu of hard copy publications are now beginning to accumulate. This, in turn, will cause a reduction in the original press runs. In addition, CRS plans to eliminate the stocking of large quantities of supplemental copies of the publications at ☐ and to supply STAT microfiche for retrospective requests.

A check list for maintaining a more current inventory of supply items in the PSD warehouse than the card system permits, and an advance supply requirements notification procedure are now in use. This will eliminate the need for unscheduled trips to the depot for stock replenishment. No dollar value has been assigned to the savings that result.

PSD has recently acquired press equipment for the printing of the ☐ which permits the use of roll paper. This, in turn, makes possible a 25% cost avoidance which upon completion the change over will represent approximately \$72,900 annually

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Cost Reduction Measures

Problems and/or Suggested Improvements

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| k. Savings in printing ink costs through the purchase of larger containers. Savings: \$1,200 (potential) | The negotiations with the vendor to explore this plan have been started. |
| l. Reduce number of copies and distribution of all employee notices. Savings: Unavailable ✓ | Feasibility of decentralized reading files and/or bulletin boards being investigated. |
| m. Reduction in paper costs through improved procedures for inventory control, substitution options, and greater coordination between job planners, supply branch, and printers. Savings: Unavailable | Preliminary actions of this project have reduced the overstocking of paper supplies and the excessive storage space requirements as well as a substantial reduction in paper contracts. |
| n. Agency-wide reduction in the supply and operating costs of office copiers. Savings: \$25,000 as of 31 Oct 74. (This item is reported by ISAS to DD/A on a quarterly basis as part of an MBO report.) ✓ | A continuing joint effort by OL/PSD and ISAS/RAB to insure proper selection, operation and management of office copiers, is being maintained. A careful review of new requests and ongoing operations, as well as a user consultant service, is provided by the Systems Staff, PSD. This service takes on added importance at the present time, since the volume of copying in the Agency is dropping and major pieces of copying equipment such as the Xerox 3600 must be promptly downgraded to avoid excessive rental costs. In the past six months 17 major pieces of equipment have been retired or downgraded. |
| o. Agency-wide reduction in the cost of computer printing (hard copy). Savings: Figures in the Logistics Newsletter are accurate if it is assumed one 1200 will be used to support the indicated project. | The newly acquired Xerox 1200 produces computer printout directly from magnetic tape with a 40% reduction in paper utilization at a speed two to three times greater than the conventional computer printer and with improved quality. It is now in a pilot test program jointly conducted by PSD and OJCS, and has gained wide acceptance. It is expected that a major part of the 37 million pages now produced annually on the line printers will be converted to the Xerox 1200 system and that a major savings in paper and operating costs will result. |

Cost Reduction Measures

Problems and/or Suggested Improvements

- p. Agency-wide reduction in file storage space requirements through the increased utilization of source document microforms. Savings: Unavailable

Joint OL/PSD and ISAS/MPB efforts in promoting the use of microforms through seminars, pilot programs, testing, and user instruction, have helped to increase awareness and utilization of microforms, with corresponding savings in file storage space. PSD has also improved its production capabilities with new higher speed equipment to meet the increased needs.

- q. Reduction of procurement costs and lead times. Savings: Unavailable

It has been suggested that PSD's imprest fund be increased to allow local purchase of appropriate materials rather than obtaining these items through Supply Division and General Procurement Branch, Procurement Division. This will allow shorter procurement lead time, and permit cost savings by eliminating Supply and Procurement Divisions from these purchases.

A review of the suggested methods for cost reduction in paragraph 3 of the multiple addressee memorandum dated 4 November 1974 from the DD/A, Subject: reduction of daily operating costs, indicated the following status:

- r. Use speed letters for intra-office correspondence. Savings: Unavailable
- s. Encourage and accept pen and ink changes for minor errors on correspondence. Savings: Unavailable
- t. Limit attachments on multi-addressee correspondence to only those who need the attachment. Savings: Unavailable
- u. Identify and take steps to stop receipt of excess copies of correspondence and reports. Savings: Unavailable

In use.

In use.

In use.

Being reviewed.

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Cost Reduction Measures

Problems and/or Suggested Improvements

- v. Substitute cross reference log sheets in subject files in lieu of creating and filing extra copies of correspondence and reports. Savings: Unavailable
- w. Require more quantitative comments about cost consciousness on fitness reports to emphasize management concern. Savings: Unavailable
- x. Arrange for periodic briefings at staff meetings by members of ISAS and the Office of Logistics on high-cost supplies and services and alternatives available. Savings: Unavailable

Minimum application.

Being reviewed.

PSD provides speakers for many briefings of this type for ISAS.

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PRINTING AND PHOTOGRAPHY DIVISION
ANTI-INFLATION & COST REDUCTION MEASURES

Measure

✓ Conservation of energy by more closely managed use of the electric remelt furnace.

(?) Reduction in cost of printing labor and supplies through the use of typesetting for those publications now being imaged on typewriters and line printers.

Problems and/or Suggested Improvements

Careful scheduling of the use of this equipment will save an estimated \$565 per year. Plan now implemented.

The use of type permits greater flexibility in formats, reduces the number of pages required, increases the words per page, while at the same time increasing the quality and ease of reading. During this period the OGCR "Fact Book" was converted to this method. After the first-year conversion costs are amortized, the yearly savings for this publication are estimated at \$53,119. Other publications will be phased over as appropriate equipment becomes available.

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